

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 22, 1995

SUBJECT: **SB 1208 - HB 803**


This bill, if enacted, will allow nonresidents to be admitted to a Tennessee institution of higher education without paying out-of-state tuition if the student's place of residence is within a 30-mile radius of the city in which the main campus is located. Such nonresidents admitted without tuition will apply only to undergraduate enrollment and shall not exceed 3% of the undergraduate FTE of the institution.

The bill provides that any additional expense incurred by institutions of higher education for implementation shall be met by the institutions for the 1995-96 fiscal year through funds otherwise available for the operation of public higher education institutions in the 1995-96 fiscal year.

The fiscal impact from enactment of this bill is estimated to be a decrease in school revenues of approximately \$3,600,000. This estimate is based on approximately 900 students attending the border institutions that will become eligible for a fee waiver under the provisions of the bill as shown below:

| | |
|---|---------------------------|
| Tennessee Board of Regents Institutions | |
| 711 students x \$3,934 | \$ 2,797,074 |
| University of Tennessee Institutions | |
| 206 students x \$3,934 | <u>810,404</u> |
| Decrease in School Revenues | <u>\$3,607,478</u> |

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.


James A. Davenport, Executive Director